

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF CRAIG L.) APPEAL NO. 07-A-2193
JENSEN from the decision of the Board of) FINAL DECISION
Equalization of Payette County for tax year 2007.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing October 10, 2007, in Payette, before Hearing Officer Steven Wallace. Board Members Lyle R. Cobbs, David E. Kinghorn and Linda S. Pike participated in this decision. Appellant Craig L. Jensen appeared with Real Estate Broker, Jeff William and Fee Appraiser Bruce Garner. Assessor Robert MacKenzie, Prosecutor Brian Lee and County Appraiser Darcy Maag appeared for Respondent Payette County. This appeal is taken from a decision of the Payette County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. P10400000020.

The issue on appeal is the market value of a residential property.

The decision of the Payette County Board of Equalization is reversed.

FINDINGS OF FACT

The assessed land value is \$25,210, and the improvements' valuation is \$169,650, totaling \$194,860. Appellant requests the land value be reduced to \$25,000, and the improvements' value be reduced to \$145,000, totaling \$170,000.

The subject property is a 2,880 square foot duplex built in 1971, located in Payette, Idaho.

Appellant submitted three Realtor market value opinions on subject property. One Realtor was present at hearing as a witness. In the three opinions, the estimated sale price for subject ranged between \$142,500 and \$169,000. Appellant testified the subject property had been inspected by all of the Realtors.

Taxpayer also presented an independent fee appraisal dated July 30, 2007. The Fee

Appraiser relied on the sales comparison approach to value and considered five sales. Two of the sales were not in subject's area, and one was located in Oregon. The remaining three sales were located within one and one-half miles of subject, two took place in 2006, and the third property sold in April, 2007. The sales ranged in square footage from 2,082 to 2,720 and sale price ranged from \$120,000 to \$162,500 or \$47 to \$78 per square foot. In comparison, subject includes 2,880 square feet and was assessed for \$194,860 or \$68 per square foot.

The fee Appraiser made adjustments to the sale prices for differences in utilities, garage, porch, and fencing, to better represent a value for subject. The adjusted sale prices ranged between \$145,090 and \$178,630. No time adjustments were made and the fee Appraiser estimated subject's market value at \$165,000.

The County Appraiser explained the mass appraisal model used to assess subject, where all sales of like properties were analyzed. The computed value for subject was \$143,890. A negative depreciation factor of 10% was applied to the \$143,890. To bring values current, an additional positive market adjustment of 131% was applied to the improvements.

The County further explained land is required to be valued separately from improvements and the price per square foot does not include land value.

Appellant maintained subject was over-assessed because the square footage of subject was much larger than the average duplex. It was contended adjustments should have been made.

At hearing, the County presented three sales to support subject's assessed value. Two of the sales took place in 2006 and one in 2007. The sales ranged in size from 1,440 to 2,082 square feet and sale prices ranged from \$110,000 to \$168,500, or \$61 to \$74 per square foot. Subject was assessed for \$194,860, or \$58.90 per square foot. The per square foot figures do

not include land. The sales were not time-adjusted, nor were any adjustments made for differences between the sales and subject.

Although the County did not rely on an income approach, an income worksheet was submitted which indicated a building value of \$166,790 would be substantiated by this approach. The County also presented a spreadsheet of comparable duplex sales from Gem County which indicated the average sale price per square foot was \$79 without land. The County Appraiser suggested the market value in adjoining counties is similar, and probably stronger in Gem County due to the closer proximity to Boise.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-201(10) defines market value:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellant did a thorough job of researching and presenting information for the Board to consider. The presentation included broker opinions and an appraisal to indicate the market value of subject. The sales used in the appraisal were not time-adjusted.

Respondent discussed mass appraisal techniques and presented sales to support subject's assessed value. The sales were smaller than subject and no adjustments were made

for property differences or time of sale.

The burden of proof standard is one of preponderance, “. . . a preponderance of the evidence shall suffice[.]” Idaho Code § 63-511(4) (2006). The record did not include a 2006 sale in excess of \$170,000, in fact the highest sale price presented was \$168,500. Based on the information in record, we find it more probable than not that subject’s assessed value is overstated. Therefore, the Board will reverse the decision of the Payette County Board of Equalization and grant Appellants relief claim of \$170,000.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Payette County Board of Equalization concerning the subject parcel be, and the same hereby is, reversed, reducing the improvements’ value to \$145,000 and reducing the land value to \$25,000, for a total assessed value of \$170,000.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

MAILED January 31, 2008